

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT DELAYING THE EFFECTIVE DATE OF THE INDIVIDUAL INCOME TAX CAPITAL GAINS CREDIT FOR 2 YEARS; AMENDING SECTION 15-30-183, MCA, AND SECTIONS 61 AND 62, CHAPTER 544, LAWS OF 2003; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-30-183, MCA, is amended to read:

**"15-30-183. Capital gains credit.** An individual taxpayer is allowed a credit against the taxes imposed by 15-30-103 in an amount equal to 1% of the taxpayer's net capital gains for tax years ~~2005~~ 2007 and ~~2006~~ 2008 and 2% of the taxpayer's net capital gains for tax years beginning after ~~2006~~ 2008, as shown on the taxpayer's individual income tax return filed pursuant to 15-30-142. The credit allowed under this section may not exceed the taxpayer's income tax liability."

**Section 2.** Section 61, Chapter 544, Laws of 2003, is amended to read:

**"Section 61. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) (a) [Sections ~~40~~ 41 through 46 and 48] are effective January 1, 2005.

(b) [Section 40] is effective January 1, 2007."

**Section 3.** Section 62, Chapter 544, Laws of 2003, is amended to read:

**"Section 62. Applicability.** (1) [This act] applies to the sale of the following goods and services:

(a) cigarette and tobacco products sold on or after May 1, 2003;

(b) accommodation and campground charges under [section 3(1)(b) and (3)(a)(ii)] made on or after June 1, 2003; and

(c) base rental charges for rental vehicles under [section 3(1)(c) and (3)(a)(iii)] made on or after July 1, 2003.

(2) (a) [Sections ~~40 and~~ 42 through 45] apply to tax years beginning after December 31, 2004.

(b) [Section 40] applies to tax years beginning after December 31, 2006.

(3) [Section 47] applies retroactively, within the meaning of 1-2-109, to years beginning after December 31, 2002."

**NEW SECTION.** **Section 4. Effective date.** [This act] is effective on passage and approval.

**NEW SECTION.** **Section 5. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to December 31, 2004.

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